

**Meeting of the  
Board of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia**

**September 11, 2007**

**DRAFT Minutes**

**Present:**

Rose C. Chu  
Terone B. Green  
Monroe E. Harris, Jr., D.M.D.  
Patsy Ann Hobson  
Kay C. Horney  
Manikoth G. Kurup, M.D. (Chair)  
Robert D. Voogt, Ph.D.  
Michael Walker

**By phone:**

Phyllis L. Cothran (phone)  
Barbara H. Klear (phone)  
David Sylvester (phone)

**Absent:**

**DMAS Staff:**

Elizabeth McDonald, Legal Counsel  
Scott Crawford, Deputy Director of Finance and Administration  
Rachel Cain, Clinical Pharmacist, Health Care Services  
Division  
Katina Goodwyn, Pharmacy Contract Monitor, Health Care  
Services Division  
Meredith Lee, Policy Analyst, Health Care Services Division  
Craig Markva, Manager, Office of Communications &  
Legislative Affairs  
Nancy Malczewski, Public Information Officer, Office of  
Communications & Legislative Affairs  
Mamie White, Public Relations Specialist, Office of  
Communications & Legislative Affairs

**Speakers:**

Cynthia B. Jones, Chief Deputy Director  
Sam Metallo, Director, Appeals Division  
Bryan Tomlinson, Director, Health Care Services Division  
William Lessard, Director, Provider Reimbursement Division

**Guests:**

Cherie Madison, Va. Association for Homecare & Hospice  
Michael Tweedy, Department of Planning and Budget  
Richard Grossman, Vectre

**Call to Order**

Dr. Manikoth G. Kurup, Chairman of the Board, called the meeting to order at 10:06 a.m. after a quorum was met. Dr. Kurup then asked that DMAS staff and guests introduce themselves. Mr. Finnerty introduced Elizabeth McDonald who will be rotating with Kim Piner as legal counsel for the Board in the place of Reatha Kay.

### **Approval of Minutes from June 12, 2007 Meeting**

Dr. Kurup asked that the Board review and make a motion to approve the Minutes from the June 12, 2007 meeting. Mr. Green made the motion to accept the Minutes and Dr. Harris seconded. The vote was **7 yes (Chu, Green, Harris, Hobson, Horney, Kurup, and Voogt); 0-no.**

### **Selection of Secretary**

Mr. Finnerty noted that the Board bylaws required that “The Secretary shall be selected by the full Board, but shall not be a member of the Board.” The proposed by-law amendment to delete the word ‘full’ was presented at the June 12, 2007 BMAS meeting. Dr. Kurup asked that the Board review and make a motion to approve the proposed by-law amendment. Dr. Harris made the motion to accept the by-law amendment and Ms. Horney seconded. The vote was **7 yes (Chu, Green, Harris, Hobson, Horney, Kurup, and Voogt); 0-no.**

### **SCHIP Reauthorization and Integration of Acute and Long Term Care Services**

Ms. Cynthia B. Jones, Chief Deputy Director, gave a brief update of the current status of the state children’s health insurance program (SCHIP) which is the federal legislation and funding that supports our FAMIS and FAMIS Mom’s Program. SCHIP was authorized by Congress in 1997 with \$40 billion in federal funding to be spent between 1997 and 2007. The federal SCHIP authority will expire September 30, 2007. There are competing bills in Congress to reauthorize SCHIP. Ms. Jones explained the unresolved issues currently being debated and noted that due to the differences in the bills, it was likely that they would go to conference for resolution. Based on current funding levels, Virginia should have sufficient funding and not experience a shortfall until 2009.

Ms. Jones then gave highlights on the integration of acute and long term care services. Six Program of All Inclusive Care for the Elderly (PACE) sites are being implemented across Virginia (Hampton Roads (2); Far Southwest (2); Richmond (1); and Lynchburg (1)). In addition, regional managed care models are being developed to integrate acute and long-term care services. DMAS has held several meetings with various stakeholder groups to develop the integrated model.

Ms. Jones reported that DMAS has made progress with the Medicaid managed care program, Medallion II, and will be implementing an expansion in the Lynchburg region beginning October 1, 2007. This expansion will provide Medallion II coverage in all areas of the State except for the deep southwest and portions of the western border with West Virginia.

### **Governor’s Health Care Reform Commission Update**

Ms. Jones reported that the Commission has drafted their final report and presented it to Governor Kaine. The Commission was scheduled to meet September 12, 2007, and then the full report will be released so the recommendations can be considered in the Governor’s proposed

budget for the 2008-2010 Biennium. The full report will be posted on the website and a copy of the executive report will be distributed to the Board members.

### **Appeals Division**

Mr. Samuel Metallo, Director of the Appeals Division, gave a detailed and informative overview of the Provider Appeals Unit and the Client Appeals Unit within the Appeals Division. The Provider Appeals Unit, which involves reimbursement for medical services to providers, has two levels of provider appeals—informal fact finding proceedings and formal administrative hearings. While DMAS serves over 52,000 providers throughout the Commonwealth, the percentage of appeals that are processed is relatively small. On the other hand, the Client Appeals Division, which deals with eligibility and provision of medical services to recipients, comprises about half of all the hearings. There were several questions for Mr. Metallo and discussion by the Board.

### **Tamper-Resistant Prescription Pads**

Mr. Bryan Tomlinson, Director of Health Care Services Division, gave an overview of the mandate for tamper resistant prescription pads which will become effective October 1, 2007. Specifically, federal Medicaid funding shall not be available for any amounts expended for prescription drugs for which the prescription was executed in written (and non-electronic) form unless the prescription was executed on a tamper-resistant pad. Mr. Tomlinson noted that the pads must be designed to (1) prevent unauthorized copying of a completed or blank prescription form; (2) prevent the erasure or modification of information written on the prescription by the prescriber; or (3) prevent the use of counterfeit prescription forms. By October 1, 2007, the pads must meet one of the requirements, and by October 1, 2008, states must require that all three requirements are met.

DMAS is continuing to seek guidance from CMS on finalizing the plans to implement this mandate by the effective date. There was discussion and questions by the Board.

### **Medicaid Nursing Facility Pay for Performance (NF 4P4)**

Mr. William Lessard, Director of the Provider Reimbursement Division, discussed the budget mandate for DMAS to develop a pay-for-performance proposal for Medicaid nursing homes. Mr. Lessard explained the background and criteria being considered to formulate the proposal. Mr. Lessard then elaborated on the recommended options to be considered for how to measure quality, the scoring and incentive structure, public reporting, implementation of the program, budget, and evaluation recommendations for the program.

OLD BUSINESS

**Regulatory Activity Summary**

The Regulatory Activity Summary is included in the Members' books to review at their convenience.

**New Business**

None.

**Adjournment**

Dr. Kurup thanked everyone and adjourned the meeting at 12:05 p.m.